

**Date:** January 26, 2011

**To:** Thomas J. Bonfield, City Manager  
**Through:** Theodore L. Voorhees, Deputy City Manager  
**From:** Edward R. Venable, Manager of Engineering and Stormwater  
**Subject:** Contract ST-253, 2011 Street Repairs and Repaving

### **Executive Summary**

On January 12, 2011, bids were opened for Contract ST-253: 2011 Street Repairs and Repaving. This contract consists of pavement repairs, milling, utility adjustments, and repaving for City streets in various locations throughout the City of Durham funded by the 2010 Bonds. The lowest responsive responsible bid was submitted by Fred Smith Company of Raleigh, North Carolina. The Public Works Department recommends that the City Council authorize the City Manager to execute a contract with Fred Smith Company, for Contract ST-253 in the amount of \$4,167,360.00.

### **Recommendation**

The Administration recommends that the City Council authorize the City Manager to execute a contract for ST-253: 2011 Street Repairs and Repaving, with Fred Smith Company in the amount of \$4,167,360.00.

### **Background**

This project involves pavement repairs, milling, utility adjustments, and repaving for City streets. There are approximately 36 miles of street repairs and resurfacing in the contract. Funding for this project comes from the 2010 General Obligation Repaving Bonds. The low bidder, Triangle Grading and Paving's bid was deemed to be responsive. However, the Public Works Department has deemed their bid to be non-responsible due to concern with Triangle having the capacity to perform the work adequately. The Public Works Department has concerns due to a recent history of poor performance on a similar project with the City. Triangle Grading and Paving has two divisions, one for street work and the second for repaving. The Street Division has performed well, with problems being specific to the Repaving Division. Public Works entered into extensive discussions with Triangle Grading and Paving and have received assurances that one repaving contract can be adequately managed. Triangle Grading and Paving has placed in charge of all repaving projects a project manager from the Street Division that has our confidence. Public Work's staff has recommended that Triangle Grading and Paving be awarded the third of four repaving contracts that were advertised. This contract is the fourth of four repaving contracts. Public Work's staff recommends that Triangle Grading and Paving be awarded only one of the four repaving contracts. One of Triangle Grading and Paving's previous failings has been overextending their crews, and not performing on time, nor at the level of quality the City expects. Public Work's staff feels Triangle Grading and Paving does not have the capacity to adequately administer more than one new repaving contract, and therefore have been deemed non-responsible. It is our recommendation that the City award this contract to

the next lowest bidder, Fred Smith Company. Their bid was deemed to be responsive and responsible.

### **Issues/Analysis**

The following is a summary of bids received:

Triangle Grading & Paving	\$4,045,675.00 Low Bid
Fred Smith Company	\$4,167,360.00 Lowest Responsible Responsive Bid
Barnhill Contracting	\$4,171,699.00
Rea Contracting	\$4,229,991.00
Blythe Construction Company	\$4,764,205.00

City Council can chose to award the bid to the low bidder Triangle Grading and Paving, but staff recommends against this action. Public Works has concerns with Triangle Grading and Paving's ability to prosecute the work at the high performance level and capacity necessary for this project, which has an aggressive repaving schedule. Triangle Grading and Paving has been cited numerous times by the Public Work's staff in regard to performance on its current repaving Contract ST-234. Specifically, Public Works has received numerous complaints regarding debris left onsite, pavement edge treatments not completed, and driveway treatments not completed for weeks. As evidenced by the monthly invoicing and the numerous and low-quality paving subcontractors that have been brought to work on the project and dismissed, it appears clear to the City that Triangle apparently does not have enough equipment or staff to prosecute the work in the timeline required, at the quality expected. Streets have been consistently milled far in advance of the paving operations, and the Triangle staff have not ramped utility adjustments and end-joints as required by the contract documents in a timely manner. This has resulted in numerous complaints from the citizens and others that use our streets, and several damage claims. There have been multiple turnovers in Triangle's Project Superintendent which have lead to gross inefficiencies and compromised the production, quality and continuity of the work. Equipment used on the project is apparently substandard since it requires excessive maintenance which is causing numerous delays. The Primavera daily reports, the attached spreadsheets, and the payment requisitions submitted by Triangle staff consistently have costly mistakes that could be avoided. Our staff has advised Triangle staff of the concerns repeatedly at weekly progress meetings. Public Works has documented these notices, which are maintained in the ST-234 project files and available for review. Notwithstanding its recent past performance, Public Works is allowing Triangle Grading and Paving to continue with Contract ST-234 as a method to demonstrate to the City their ability to perform at a higher, responsible level and to recommend award of one of the four 2010 Bond repaving contracts.

Fred Smith Company, Inc. is the lowest responsible responsive bidder. A responsive bidder has submitted a bid with all elements in place and properly signed. A responsible bidder represents a contractor Public Works staff feels is capable of performing the work. The Public Works Department recommends awarding Contract ST-253 to Fred Smith Company of Raleigh, North Carolina in the amount of \$4,167,360.00.

### **Alternatives**

City Council can choose to award the bid to the low bidder Triangle Grading and Paving. City Council can award the bid to the lowest responsible responsive bidder Fred Smith Company. The bids received are competitive, and were under the engineering estimate.

**Financial Impact**

This project is budgeted for in the 2010 General Obligation Repaving Bond Fund.

**SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Fred Smith Company of Raleigh, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 5% and WSDBE 3%. It was determined that Fred Smith Company was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**SDBE Requirements**

Fred Smith Company will subcontract to the following certified firms:

<b>Firm</b>	<b>ID</b>	<b>City/State</b>	<b>Amount</b>	<b>% of Contract</b>
Austin Trucking, LLC	MSDBE	Raleigh, NC	\$210,000.00	5%
Browe Construction Company*	WBE	Clayton, NC	\$249,875.00	6%

\*Both Austin Trucking, LLC. and Browe Construction Company is certified as a MBE and WBE with the North Carolina Department of Transportation and therefore can be used to meet the minority and woman goals for this project.

The MSDBE goal was met and the WSDBE goal was met and exceeded.

**Workforce Statistics**

The workforce statistics for Fred Smith Company are as follows:

Total Workforce	304	
Total Females	18	6%
Total Males	286	94%
Black Males	74	24%
White Males	141	46%
Other Males	70	24%
Black Females	5	1.6%
White Females	12	4%
Other Females	1	.4%